

Retirement

OUTLOOK

2,500 and counting

More than 2,500 members retire online during application's first year

A year ago this spring DRS launched the Online Retirement Application (ORA) and so far over 2,500 members have submitted their retirement application with ORA. If your retirement is coming soon, keep in mind that ORA is convenient and easy to use.

The Online Retirement Application can be reached by accessing [Your Retirement Account](#) on the DRS website. Once you've signed up (or logged in), simply click the "Apply for Retirement" link on the left hand side of the page and away you go. The application provides detailed instructions to help you complete every step in the process.

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Legislative update

The Washington State Legislature wrapped up the 2013 regular and special sessions in late June. Below is a brief summary of pension-related legislation passed this year:

SB 5046 - Modifying the Mandatory Retirement Age for District Court Judges - Changes the mandatory retirement criteria for District Court Judges to require retirement after the end of the term of office in which they turn age 75, instead of at the end of the calendar year in which they turn age 75. This bill has been signed into law by the governor.

For more information on all pension legislation considered this year, visit the [Legislation page](#) on the DRS website.

HB 1868 - Health Insurance for Catastrophically Disabled L2 Members - Allows catastrophically disabled LEOFF Plan 2 members to be reimbursed for premiums of medical insurance other than that which is provided by the employer, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), or Medicare A and/or B. The reimbursement would only be allowed for payments made after June 30, 2013 and would not exceed the amount reimbursed for premiums authorized by COBRA. This bill has been signed into law by the governor.

Retirement planning seminars

Are you within five years of retirement? If so, consider attending a DRS Retirement Planning Seminar. Seminars are held on Fridays and Saturdays from 9:00 a.m. to 2:30 p.m. at locations around the state.

Below is a partial list of upcoming seminar dates and locations. The fall 2013 seminar schedule will be available in July. To learn more, visit the Retirement Planning Seminar page on the DRS website. If you'd like to register for one of the seminars listed below, visit the [Seminar Registration](#) page.

Please don't hesitate to add your name to the waiting list if your preferred seminar below is full. Very often we are able to accommodate everyone who wishes to attend.

Also, if you are unable to attend or would simply like to see what a retirement planning seminar is all about, we now have a webinar on our [education page](#) featuring video recordings of each session from a retirement planning seminar.

City	Date	Day
Edmonds	07/20/2013	Saturday
<i>Seminar is FULL - Enrolling at this time will place you on a first-come, first-serve waiting list.</i>		
Ellensburg	08/17/2013	Saturday
Kirkland	09/07/2013	Saturday
Pasco	07/13/2013	Saturday
Spokane	09/21/2013	Saturday
Wenatchee	08/10/2013	Saturday

GROW
Your savings with
DCP

Save your way with the Deferred Compensation Program, a savvy way to have more in retirement. A change in salary is a great time to increase your contributions. It's easy to track your savings with Online Account Access, and because contributions are pre-tax, you will invest more than is deducted from your paycheck! Learn more at www.drs.wa.gov/dcp.



Retire online [from page 1](#)

If you haven't seen ORA yet, here are some of the features that will help make the online retirement process as convenient as possible for you:

- A customized, personal experience based on your retirement system and plan.
- Retirement planning information and tools.
- A list of everything you need before you retire online.
- Lots of access to assistance either through the help text, email or phone.

And once you're ready to retire, the application will be just a click away, ready for you to complete:

- Forms will prefill with your information – you don't need to type in your name, address, phone number and other personal information over and over again.
- A worksheet to help you determine how your medical, dental and life insurance premiums will affect your monthly benefit.
- Two calculators – one for help with your federal taxes and the other for purchasing service credit.
- The retirement tracker will keep you informed about where your application is in the process and the forms you need to complete and return to DRS.



Curious? Log in to [Your Retirement Account](#) and check out ORA today. You can also visit the ORA information page on the DRS website for more information.

Applying for retirement really is just a click away.

Is my initial benefit final?

It's not unusual for new retirees to discover that their initial retirement benefit payment is less than the amount indicated in the benefit estimate they received from DRS.

The reason for this is that the original calculation of your benefit at retirement does not include items like service credit purchase, late reported salary, leave cashouts or furloughs. If any of these apply to you, then it's possible that your first retirement check will be less than what was indicated in your estimate.

Once these items are included in your benefit calculation, your benefit will be adjusted. But keep in mind that this could take several months. This can be due to the time it takes to collect information from your employer like final reporting of your hours and compensation, and sometimes additional information such as furloughs or leave cashouts. If you have questions about your benefit or would like more information, [contact DRS](#).

Administrative factors changing Oct. 1

In December 2012, the Department of Retirement Systems adopted new administrative factors that will take effect October 1, 2013. Administrative factors are used to calculate adjustments in pension benefits. There are several types of benefit adjustments, but the most common are survivor options, early retirement and purchasing service credit.

The new administrative factors are currently available online to help you determine your retirement benefit estimates. This means you will receive the most accurate estimate possible. You can [log in to your account](#) to compare benefits with both the current and future (as of October 2013) administrative factors. Or, you can contact DRS to request a comparison of benefits from a retirement services analyst if you are within two years of retirement.

Visit the [administrative factors](#) page at the DRS website for more information about administrative factors and how they're used to calculate benefit adjustments.

New contribution rates

Member contribution rates change July 1 for many DRS plans. The new rates have been approved by the Pension Funding Council and the LEOFF Plan 2 Board.

Contribution rates for members of PERS Plan 1 and TRS Plan 1 are set in statute and do not change. Contribution rates for members of PERS Plan 3, SERS Plan 3 and TRS Plan 3 are determined when a member joins those plans. The contribution rate is a percentage of your salary that you contribute toward your retirement.

The new contribution rates are listed below alongside the rates from the previous biennium. Please note that the SERS and TRS rates will take effect September 1. Only those systems and plans that have a change in their rates are listed. For a complete list of contribution rates, visit the [contribution rates page](#) on the DRS website.

System/Plan	Member Contribution Rates	
	2013-2015	2011-2013
PERS Plan 2	4.92%	4.64%
SERS Plan 2	4.64%	4.09%
TRS Plan 2	4.96%	4.69%
LEOFF Plan 2	8.41%	8.46%

Supreme Court to hear gain sharing appeal

The Washington State Supreme Court has agreed to accept direct review of litigation related to gain sharing and early retirement provisions in certain state pension plans – and will hear that case in conjunction with arguments in another case over discontinuation of annual benefit increases for retirees from two of the state's older pension plans.

The first case centers on a law which discontinued gain sharing in certain state pension plans and established replacement benefits, including early retirement provisions. The other case concerns a 2011 law

which discontinued an annual increase provided to certain retirees and beneficiaries in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1).

The court agreed to review the two lawsuits as companion cases, and will hear oral arguments on Oct. 24, 2013. It is not known how long it will take for a ruling to be issued after arguments are heard.

For more information, visit [What's New](#) on the DRS website.



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